

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7408

BILL NUMBER: HB 1393

DATE PREPARED: Jan 7, 2001

BILL AMENDED:

SUBJECT: Employer Contributions for Unemployment Insurance.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that unemployment benefits are not charged to the experience account of a base period employer when the claimant's unemployment from the employer was a direct result of the condemnation of property by a municipal corporation, the state, or the federal government, a fire, a flood, or an act of nature, if at least 50% of the employer's employees become unemployed as a result. It provides that this exception does not apply when the unemployment was an intentional result of an action taken by the employer or a person acting on behalf of the employer.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill would keep the employer's rate from dramatically increasing if the employer has to temporarily close due to a disaster resulting in at least 50% of the employees receiving benefits. Currently, one employer with about 30 employees would qualify under the bill. The bill would reduce the balance in the Unemployment Insurance Benefits Fund but would not have a significant impact on the fund. The balance of the fund on June 30, 2000, was \$1.58 B.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development

Local Agencies Affected:

Information Sources: Elizabeth Bedwell Department of Workforce Development, 317-232-8002